



# TELECOMMUNICATIONS UPDATE

# ROD GRAMS

UNITED STATES SENATOR ■ MINNESOTA

Dear Friend:

The 1996 Telecommunications Act deregulated the telecommunications industry for the first time in 62 years and has begun to meet its goals of increased competition and greater choice for consumers.

For rural Minnesotans, technology encouraged by this legislation has promoted education and training through greater use of distance learning. Telemedicine has also made access to health care services easier and more affordable. Our farmers have greater access to global market information, and important data provided by the Department of Agriculture. The Act has also preserved the cornerstone of rural telecommunications policy – universal service assistance. **I am proud to have supported the enactment of this historic legislation.**

I believe that consumers in rural Minnesota and throughout our state will also benefit from additional policies which remove barriers to innovation and encourage the deployment of advanced telecommunications services. During the 106<sup>th</sup> Congress, I have worked to bring local television programming to rural areas, promote the use of electronic signatures, and improve the use of cellular services in times of emergency.

As a member of the Congressional Internet Caucus, I support policies to address the growing concern in rural Minnesota about the "Digital Divide" and access to the Internet. High-speed Internet access is a key to improved economic development in rural communities and important to Minnesota's farmers, schools, libraries, healthcare institutions, hospitals, and businesses.



## Local Television Programming in Rural Areas

I am proud to have worked with my colleagues on the Senate Banking Committee to pass S. 2097, the Launching Our Communities' Access to

Local Television Act of 2000. This legislation addresses my concern that millions of Americans in small, rural areas have not begun to enjoy the benefits of local-into-local programming. The LOCAL TV Act builds upon legislation enacted last year to reauthorize the Satellite Home Viewer Act which protected existing satellite subscribers from having

their distant network signals terminated and reduced the copyright fees paid by satellite providers.

Congress should ensure that rural America receives the benefits of this technology and local-into-local programming. The LOCAL TV Act would establish a \$1.25 billion loan guarantee program to facilitate access to local television programming in rural Minnesota communities and throughout the country. Importantly, the LOCAL TV Act will help to facilitate local-into-local programming without mandating a specific technology to provide this service and thereby encouraging competition and innovation by independent cable companies and satellite providers.

**I am very pleased that the Senate passed my amendment** that will ensure that the National Cooperative Finance Corporation is considered an eligible lender under the proposed loan guarantee program. The CFC is among several private sector lenders which have substantial experience providing multi-million dollar loans in a coop environment and which have a track record of support for projects of this size in rural areas. My amendment passed the Senate by a vote of 97-0.

In the coming days, Members of the House and Senate will meet to resolve their differences over the satellite loan guarantee legislation. I am confident that after months of uncertainty over the future of their satellite signals, thousands of rural Minnesotans will soon enjoy the benefits of local television programming.

## Rural "911"

Emergency personnel and Minnesotans will also benefit from passage of S. 800, the Wireless Communications and Public Safety Act, which has been signed into law (P.L. 106-81). This is an important rural telecommunications and public safety initiative that will help to improve our national emergency response system by making "911" the universal number for all emergency calls. It will also eliminate confusion for Americans about what number to call during an emergency.



As a cosponsor of this legislation, I believe the Wireless Communications and Public Safety Act will help to improve response times to emergencies and thereby save lives and reduce the severity of personal injuries. In rural states such as Minnesota, where there is an increasing reliance upon cellular communications, families will have the security of knowing that obstacles to receiving timely emergency assistance have been removed.

## Community-Based Broadcasting

I have always supported the niche programming provided by low-power television. These stations are owned by local governments, schools, churches, and individual citizens, and provide programming to many small and rural communities in Minnesota.

I am very pleased to have cosponsored the Community Broadcasters Act, which will preserve this valuable locally-created and community-oriented programming during the transition to digital television. Under this law, (P.L. 106-113) low-power stations are now allowed to apply to the Federal Communications Commission for a newly-created Class A license that will accord these licensees with the same duties and responsibilities as full-power stations without having to sacrifice their unique programming due to a lack of available spectrum.

## Digital Signatures

I have cosponsored legislation that will establish a national framework for the use of electronic signatures by corporations. I am very concerned that the current patchwork of state electronic authentication laws makes it difficult for Minnesota's businesses to conduct on-line transactions, and causes inconvenience for Minnesota consumers who must travel long distances to complete business agreements.

In my view, an interstate policy that provides legal effect for electronic records and signatures will enhance the ability of companies to compete in our emerging digital economy and bring the benefits of their technology to our rural communities. The "Millennium Digital Commerce Act" was passed by the Senate last year with my strong support, and is currently being reconciled with the earlier House-passed version. I expect digital signatures legislation to be enacted into law soon.

## Digital Divide

Bringing technology to rural Minnesota has always been a top priority for me. However, I am very concerned about the "Digital Divide," the technological gap between various aspects of our society including rural and urban communities. Through incremental legislative proposals that complement marketplace solutions, I believe that small and rural towns will receive the same technology as urban areas.

In my view, we can help to close the Digital Divide through repeal of the federal telephone excise tax. The federal telephone excise tax was first established to fund the Spanish American War of 1898 but has since become an obstacle to consumer investment in technology. **I am proud to be a cosponsor of S. 2330, legislation to repeal this "Tax on Talking" and save taxpayers \$5 billion annually.** The House of Representatives has overwhelmingly passed similar legislation and I expect that the Senate will consider S.2330 soon.

I have also introduced S. 2572, legislation that will promote the deployment of advanced telecommunications services by alleviating small telephone carriers that serve rural communities of burdens associated with federal regulations. If this bill is enacted into law, companies will then have more capital and resources to invest in Internet services that would serve rural communities.

I am also proud to be a cosponsor of S.2476, the Universal Service Support Act. This legislation will help to provide additional universal service assistance that can be used for the development of broadband and advanced telecommunications services.

Finally, I will continue my efforts to pass the New Millennium Classrooms Act. **This legislation will increase the amount of computer technology donated to schools and help our children prepare for the high-tech jobs of the future.** The bill will increase the tax deduction for companies donating usable, up-to-date computers to local schools.

## Senator Grams' Other Priorities

### Social Security: Protecting America's Investment In The Future



Saving Social Security, preserving its integrity, and ensuring security in retirement for today's senior citizens and tomorrow's retirees is a critical concern of Minnesotans. To offer every individual the opportunity to achieve wealth – and the security it affords – in their retirement years, Congress must work proactively and plan creatively. The experts agree that Social Security is a fiscal time bomb that cannot survive as we know it once the Baby Boom generation begins to retire. The biggest risk is to do nothing at all.

While politicians routinely talk about "saving Social Security," the 106th Congress is taking action. At the beginning of this year, I introduced the **Grams' Lockbox (S. 2001)**, legislation that prevents Washington from spending the Social Security surplus by locking in those dollars for their intended use: security for retirees. The **Grams' lockbox** triggers an automatic reduction in government spending, including the

pay of Members of Congress, if any of the Social Security surplus is spent, returning it to the Social Security Trust Fund. As a member of the Senate Budget Committee, I offered my proposal as an amendment to the annual budget, and the **Grams' lockbox** was approved by both the Senate and the House of Representatives in April.

This was but a first step toward saving Social Security. Some in Washington propose increasing taxes, cutting benefits or boosting the retirement age so Social Security can limp into the future. But retirees deserve more than just another federal program after a lifetime of work — they should have financial security in their non-working years. That is why I introduced the **Personal Security and Wealth in Retirement Act (S. 1103)**. My legislation offers Americans the option of participating in personal retirement accounts, while guaranteeing minimum retirement benefits. I have outlined this proposal in more than 50 town hall meetings held across Minnesota in the past year, and the response from every age group, in every community, has been extremely enthusiastic. For more information about my efforts to ensure retirement security for all Americans, please visit my special "Social Security: America's Investment in the Future" web page at: <http://www.senate.gov/~grams/>. You may also be interested in attending an event where I will be appearing with Jose Pinera, Chile's former Secretary of Labor and Social Security, who was the architect of that country's successful privatization of its pension system, July 6, at the Minneapolis-St. Paul Airport Hilton at 6:30 pm.

## Tax Relief: Returning Power (And Dollars) to the People



I have made cutting taxes for Minnesota's overtaxed families my top priority in the U.S. Senate, and was the driving force behind enactment of the **\$500 per-child tax credit**. This measure took full effect this past year and has resulted in the largest tax relief

effort since the Reagan Administration's tax cuts in 1982. More importantly, the \$500 per child tax credit is putting \$22 billion back into the pockets of American families each year — \$500 million for Minnesota families alone. Thanks to the \$500 per-child tax credit and several minor tax initiatives enacted over the past five years, Congress has successfully lowered the overall tax burden for many families.

**But taxes are still far too burdensome.** I worked hard to return some of the tax overcharges to the taxpayers in this year's budget. This tax relief would total \$150 billion over five years. It calls for relief from the marriage penalty tax, a tax incentive for affordable education, health care tax relief, small business tax relief, and repeal of the Clinton/Gore fuel taxes. We will not know until later this year, during final negotiations between Congress and the Administration, how successful our efforts will be to cut taxes for working Americans. **Your participation in this debate could mean success or**

**failure. If you agree with me that Congress should pass tax relief for hard-working middle-class taxpayers, write, email, or call your Congressional representatives and the President today!**

**The tax code itself is unfair, too complicated and unfriendly to the taxpayer.** Ultimately, cutting taxes will not fix the enormous problems inherent in our tax system. To restore fairness, we must rip out the entire tax code and replace it with something fair, friendly, and easy to understand. Minnesotans should never have to face another April 15 again, with all its forms, fears, and frustrations. I will continue to pursue this goal.

## Education: Freedom, Flexibility, and a Local Focus Needed



The best education is a local education, taught by caring teachers, supported by involved parents, and nurtured by local school districts with the flexibility to meet local needs. Washington needs to understand that a student's best friend is a book or an Internet connection, not a federal bureaucrat.

The **Education Flexibility Partnership Act (S. 280)** is an example of returning educational choices to the local level. The bill, passed by both the House and Senate and signed into law, extends into every state the power of the "Education Flexibility Partnership Demonstration Program," otherwise known as "Ed-Flex." Ed-Flex allows eligible local school districts to forgo the federal red tape that consumes so many precious education dollars. Moreover, the best way to help teachers teach is to give them the freedom, flexibility, and resources to get their job done without undue interference and federal strings.

One of my major concerns whenever Congress takes up the education debate is making sure that Minnesota taxpayers get their money's worth. Too much of Minnesotans' education tax dollars are consumed by federal administrative requirements. Moreover, Minnesotans lose over \$60 million yearly because of unfavorable distribution formulas. Consequently, among amendments to the **Elementary and Secondary Education Act** that I have proposed or cosponsored is one that would help address this imbalance and provide Minnesota a better return on the federal tax dollars we commit to the Washington bureaucracy.

Parents and teachers, not Washington bureaucrats, have the greatest stake in the education of Minnesota children, and we must make sure they are not stifled by one-size-fits-all federal mandates. I will continue working to keep more of your tax dollars in the classrooms and keep education decisions at home.

## Agriculture: Preserving Our Rural Heritage, Promoting Economic Opportunities



As someone who grew up on a dairy farm, I understand the concerns of Minnesota farmers. I have met on countless occasions with farmers, rural lenders, and small business owners to discuss issues important to agriculture and the rural economy. I have taken suggestions from these meetings and drafted legislation – encompassed within my Farm and Town Empowerment Plan – that promotes the economic opportunities our farmers and rural communities deserve.

The best way to help our farmers is to get Washington out of their way, while preserving a safety net for the inevitable tough times. That safety net was strengthened with the recent enactment of crop insurance reform. This legislation, modeled after my Crop Insurance Reform Act, is a vital and long-overdue tool in helping farmers through difficult periods of crop failures and managing their risk in periods of low prices. This legislation also contained \$7.1 billion in emergency aid to producers. In addition, I was able to convince Congress to include emergency aid to dairy farmers, which will be part of the annual agriculture spending bill.

As Congress begins to work on a new farm bill, antiquated and outdated policies must be removed from the books. For example, I have introduced legislation that would reform federal dairy policies that prevent Minnesota dairy farmers from receiving a fair price. We should dispense with dairy compacts that hurt farmers and consumers alike, and inject fairness back into the federal milk marketing orders. Other steps that need to be taken include:

- extending marketing assistance loans,
- flexibility in "locking in" Loan Deficiency Payments,
- reducing taxes and regulatory burdens on farmers,
- expanding markets abroad,
- addressing concerns regarding concentration in agriculture, and
- allowing farmers the option of placing land into shorter-term easements as part of the Conservation Reserve Program.

I will keep pressing Congress in the months ahead to give farmers the tools they need to compete fairly with producers from across the country and around the globe, regardless of geographic region or commodity.

### CONTACTING ROD GRAMS



Your input is vital to the success of these and other initiatives Congress may consider, and, as always, I encourage you to contact me with your comments and suggestions.

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